Title 86 Part 100 Section 100. 2199 Illinois Earned Income Tax Credit (IITA Section 212)

TITLE 86: REVENUE

PART 100
INCOME TAX

Section 100.2199 Illinois Earned Income Tax Credit (IITA Section 212)

a) *For taxable years beginning on or after January 1, 2000 and ending on or before December 31, 2002, an individual shall be allowed a credit against the tax imposed by IITA Section 201(a) and (b) for the taxable year equal to 5% of the federal earned income tax credit allowed for such taxable year pursuant to IRC Section 32.* (IITA Section 212(a))

b) Credit in excess of liability.

1) For tax years beginning before January 1, 2003, the credit allowed for the taxable year may not reduce the taxpayer's liability under the IITA to less than zero. *Therefore, no part of the credit is refundable in the event the tax liability of the taxpayer is reduced to zero.* (IITA Section 212(b))

2) For tax years beginning on or after January 1, 2003 and ending prior to August 21, 2007 (the effective date of Public Act 95-333), *if the amount of the credit exceeds the income tax liability for the applicable tax year, then the excess credit shall be refunded to the taxpayer only if the refund is counted towards the State's ability to meet its required Maintenance of Effort to qualify for reimbursement under the federal Temporary Assistance for Needy Families Block Grant.* (IITA Section 212(b) and (b-5))

3) For tax years ending on or after August 21, 2007, *if the amount of the credit exceeds the income tax liability for the applicable tax year, then the excess credit shall be refunded to the taxpayer.* (IITA Section 212(b))

4) Excess credit may not be carried over to other tax years.

c) In the case of a nonresident or part-year resident, the Illinois earned income tax credit shall be equal to 5% of that portion of the federal earned income tax credit allowed pursuant to section 32 of the IRC that bears the same ratio as the taxpayer's base income allocable to Illinois bears to the taxpayer's base income everywhere. (See IITA Section 212(a).)

(Source: Amended at 32 Ill. Reg. 13223, effective July 24, 2008)